

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 93-669-C - ORDER NO. 94-371<sup>ve</sup>  
APRIL 26, 1994

IN RE: Application of Touch 1, Inc. for a	)	ORDER
Certificate of Public Convenience	)	APPROVING
and Necessity to Provide Intrastate	)	CERTIFICATE
Resold Telecommunications Services	)	
in South Carolina.	)	

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Touch 1, Inc. (Touch 1 or the Company or the Applicant) requesting a Certificate of Public Convenience and Necessity authorizing it to provide intrastate resold telecommunications services in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-8-280 (Supp. 1992) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Touch 1 to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of the Company's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. Touch 1 complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone and Telegraph

Company (Southern Bell)<sup>1</sup> and the South Carolina Department of Consumer Affairs (the Consumer Advocate). By letter dated April 18, 1994, the Consumer Advocate informed the Commission that he is satisfied that the services offered by the Applicant are consistent with services approved by the Commission in prior dockets, and, therefore, the Consumer Advocate does not wish to participate in any hearing scheduled in this matter.

James F. Corman, President of Touch 1, Inc., submitted verified testimony. Mr. Corman explained Touch 1's request for authority. Mr. Corman stated that Touch 1 currently provides resale long distance communications services on an interstate basis in numerous states and is in the process of expanding its services nationwide. According to Mr. Corman, Touch 1 seeks to offer its services throughout the state of South Carolina, and its primary market will be residential and small business customers. Mr. Corman testified that Touch 1 does not construct facilities, and Touch One's underlying carrier is LDDS. Touch 1 does not propose to provide operator services and operator services will be provided by LDDS.

Mr. Corman stated that Touch 1 does not provide payphone services nor does it offer or intend to offer 900 services in South Carolina. Mr. Corman testified that Touch 1 will abide by state law and the rules and regulations of the Commission. Mr.

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1. Southern Bell subsequently moved to withdraw its Intervention in this Docket and was allowed to withdraw its Intervention by Order No. 94-320, dated April 7, 1994.

Corman also offered that Touch 1 has the necessary managerial, technical, and financial resources and ability to provide the services for which authority is sought. Mr. Corman also stated that the issuance of a Certificate of Public Convenience and Necessity to Touch 1 would be in the public interest as it would expand the availability of telecommunications services to more members of the public and at more competitive prices thereby allowing residential and small business customers to maintain their communications costs at levels that equal or approach those costs only available to very large users.

After full consideration of the applicable law, the Company's Application, and the testimony and affidavit presented by the Company, the Commission hereby issues its findings of fact and conclusions of law:

#### FINDINGS OF FACT

1. Touch 1 is incorporated under the laws of the State of Alabama, and is authorized to transact business in the State of South Carolina as a foreign corporation by the Secretary of State.

2. Touch 1 operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.

3. Touch 1 has the experience, capability, and financial resources to provide the services as described in its Application.

#### CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Touch 1 to provide intrastate interLATA

service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Services (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Touch 1 for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Touch 1 shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Touch 1 shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance

with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1993).

4. Touch 1 shall file its tariff and an accompanying price list to reflect the Commission's findings within thirty (30) days of the date of this Order. Further, the tariff shall be filed with the Commission in a loose-leaf binder.

5. Touch 1 is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

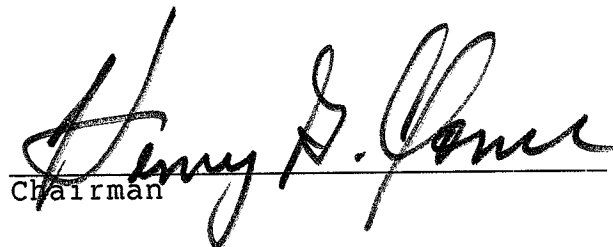
7. Touch 1 shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Touch 1 changes underlying carriers, it shall notify the Commission in writing.

8. Touch 1 shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C ( June 3, 1993).

9. Touch 1 shall file surveillance reports on a quarterly basis with the Commission until further notice. The form of those reports shall be in compliance with Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

10. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

DOCKET NO. 93-669-C - ORDER NO. 94-371  
APRIL 26, 1994  
ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'S

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION, MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

- (4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE).